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Volume IV

Increased and Varied Intelligence Needs
In Support of President Johnson,
23 Nov. 63 - 28 Apr. 65

A. Further Reorganization and Heavy Workload for USIB

1. John McCone with the knowledge and experience gained as DCI during the preceding two years was well prepared to provide President Johnson immediately with the highest possible quantity and quality of foreign intelligence, utilizing the advice and assistance of USIB to the fullest extent. President Johnson, having been an NSC member as Vice President, was familiar with the national intelligence produced by the intelligence community and generally with the activities and programs of the agencies under the cognizance of the DCI and USIB, but obviously not to the extent required by him as President.

2. One of the first actions taken by President Johnson designed to assert control over Federal programs and their costs was the issuance on 30 November 1963 of a memorandum for the heads of all departments and agencies pledging that the

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Executive Branch would be administered with the utmost thrift and frugality; that the Government would get a dollar's value for a dollar spent; and that the Government would set an example of prudence and economy. After listing the steps he intended to take in carrying out this pledge, President Johnson asked each department or agency head to assume personal responsibility for making his agency a model of good management and economical administration, including a manpower control program and holding agency employment below personnel targets established in September 1963. Each agency was also to report promptly to the President major cost reduction actions during the previous year, and steps to be taken during the next year to tighten operations and effect savings.

3. Mr. McCone at the first USIB meeting under President Johnson on 4 December 1963, with the Chairmen of USIB Committees in attendance, brought this Presidential memorandum to the attention of all Board members. While noting that each member would undoubtedly receive this communication from his department or agency head, the Chairman emphasized that the intelligence community, because of its interlocking relationships, must work together in a great effort

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to accomplish its functions effectively at minimum cost. He urged that any interface throughout the community be examined to determine whether one agency could depend upon another for a particular activity to preclude unnecessary duplication. He also stressed that the committee chairmen in attendance had very definite responsibilities to carry out the President's instructions regarding activities within the purview of the respective committees. After the Board meeting the Executive Secretary distributed a memorandum to USIB Committee Chairmen for information and guidance attaching a copy of the President's memorandum and quoting the above statements by the DCI as recorded in the Board minutes. 1/ Mr. McCone with his management background clearly welcomed this Presidential instruction as increased support and authority for carrying out his responsibilities for coordinating and guiding all foreign intelligence programs. In practice however his first concern was to improve the capabilities of the intelligence community to serve the national security needs of the policy makers and operators. Therefore, while seeking all feasible efficiency and economy, the complexity and costs of intelligence activities, particularly the highly technical

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collection systems, made it very difficult for him to achieve major cost reductions and at the same time meet the increasing demands for adequate intelligence, as will be indicated in succeeding sections of this volume. This problem was quickly demonstrated when, in connection with Board consideration of an intelligence collection project in January 1964, the DCI had to emphasize the requirement that any recommendation for a new or expanded intelligence program, project or installation must be accompanied by an estimate of the additional cost which would be involved. By a USIB Action Memorandum, the Executive Secretary transmitted the directive of the Board Chairman that all USIB Committee Chairmen were instructed that any such new or expanded intelligence projects recommended to the Board by committees must include an estimate of the additional costs involved. 2/ This directive however was seldom carried out to the extent or in the manner required, largely because of the inability or reluctance of the intelligence agency concerned with any particular project to provide a meaningful estimate except when it was a part of his department or agency budget programming. As a result recommendations by the committees increasingly took the form of identification and

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specification of the types of substantive intelligence information required, while appraisals of the cost effectiveness of particular programs, systems, projects or vehicles to meet those requirements were made by the DCI assisted by his NIPE Staff. When the committees did conduct studies and report on such programs, etc., they frequently performed evaluations of the relative substantive contributions each could make in meeting intelligence needs, rather than considering cost effectiveness.

4. At the 4 March 1964 USIB meeting, Mr. McCone noted that a reorganization of the membership of USIB had been under consideration for about three years.* He explained that the initial recommendation on this subject had been made by the Joint Study Group in December 1960, which had also made a recommendation leading to the establishment of DIA. Although these recommendations were originally approved by President Eisenhower in January 1961 and subsequently reaffirmed by President Kennedy, the DCI noted that the reorganization of USIB had been delayed at the request of the Secretary of Defense until DIA production and other capabilities had developed sufficiently to insure that all DoD intelligence resources could be coordinated in support of USIB responsibilities. Mr. McCone

*See paragraph 49, Section B, Volume III.

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stated that on 21 December 1963, after discussions with the Secretary of Defense and others, he had recommended to the President a reorganization of the Board membership.

On 5 February 1964 the DCI had received a memorandum from Mr. McGeorge Bundy stating that the President had approved the reorganization of USIB and directed that its composition be as follows:

Director of Central Intelligence, Chairman
Deputy Director of Central Intelligence
Director of Intelligence and Research,
Department of State
Director, Defense Intelligence Agency
Director, National Security Agency
A representative of the Atomic Energy
Commission
A representative of the Director of the
Federal Bureau of Investigation 3/

5. In a supplementary statement Mr. McCone noted that, in addition to the above membership, a representative of the National Reconnaissance Office would continue to be a USIB member whenever matters of concern to that Office were being considered. 4/

6. The DCI then went on to explain the arrangements which were to be made in carrying out this reorganization which was put into effect at the close of the 4 March Board meeting. As recorded in the minutes of that meeting and subsequently disseminated in a USIB memorandum 5/, Mr. McCone stated that he was

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authorized to effect the changes in existing directives necessary to implement the President's order, including appropriate amendments to NSCID No. 1 (subsequently issued effective 4 March 1964). In consultation with the Director of DIA, the DCI had approved the following arrangements and actions:

a. The Director, DIA, would represent on USIB all elements of DoD except NSA; however, the Military Departmental Intelligence Chiefs were invited and encouraged to attend as observers all Board meetings of interest to them collectively or individually. [This standing invitation has been consistently accepted for all items at all USIB meetings to date, including executive and restricted sessions.]

b. The service intelligence chiefs retained the right to express divergent or alternative views they deem significant and to have such views footnoted in appropriate USIB documents such as NIEs, SNIEs and Watch Committee reports. They were also encouraged to make such views known to BNE during coordination of estimates, including active participation of their representatives in the interagency working sessions. [This right to dissent has been construed to apply at the Board level only to "national intelligence" as defined in NSCID No. 1 (i.e., NIEs, SNIEs and Watch Reports) but not to other types of documents

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(such as DCIDs, other USIB Committee reports, and other reports and recommendations) on which DoD views are officially expressed solely by DIA, with the exception of NSA. Each DCI however has exercised his own judgment in the case of each of these other documents whether he would permit one or more of the service intelligence chiefs to have the record show, in the minutes or in the document, a significant different or dissenting view from that expressed by the Director of DIA.]*

c. No immediate changes were to be made regarding DoD representation on USIB Committees; pending the receipt of DIA proposals after discussing with the military departments, suggestions by each committee chairman, and decision by the DCI. [Subsequent action on the membership of USIB Committees as completed in April 1965 will be described in a succeeding paragraph.]

*One problem which arose at a June 1964 Board meeting concerned the question whether the service intelligence chiefs could indicate in an estimate whenever they disagreed with the DIA position. The DCI subsequently left it up to the Director of DIA to handle on a case-by-case basis by indicating in footnotes when there were differing views between the DIA member and the service intelligence observers.

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d. Procedures were initiated to permit the Director, DIA, to delegate to the service intelligence chiefs authority to continue existing arrangements for administering certain sensitive security matters and for releasing certain classified information, such as those covering COMINT [REDACTED]

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The Executive Secretary was to review with DIA any other arrangements which might be subject to the same delegation and to draft appropriate changes in the DCIDs. [Any such changes were subsequently accomplished on a case-by-case basis as they arose.]

e. No changes were to be made at that time in the distribution of USIB documents in connection with the reorganization, but the Chairman instructed the Executive Secretary to ask each Board member to re-examine the distribution of USIB documents within his department or agency.

7. With respect to DoD membership on USIB Committees, the Director of DIA after a survey transmitted to the DCI his conclusion that participation by the Military Departments should remain essentially as it was, in the belief that substantial benefits accrued to the intelligence community as a whole in view of their intelligence capabilities and operational responsibilities. After consultation with the DCI's NIPE Staff, the chairmen of all

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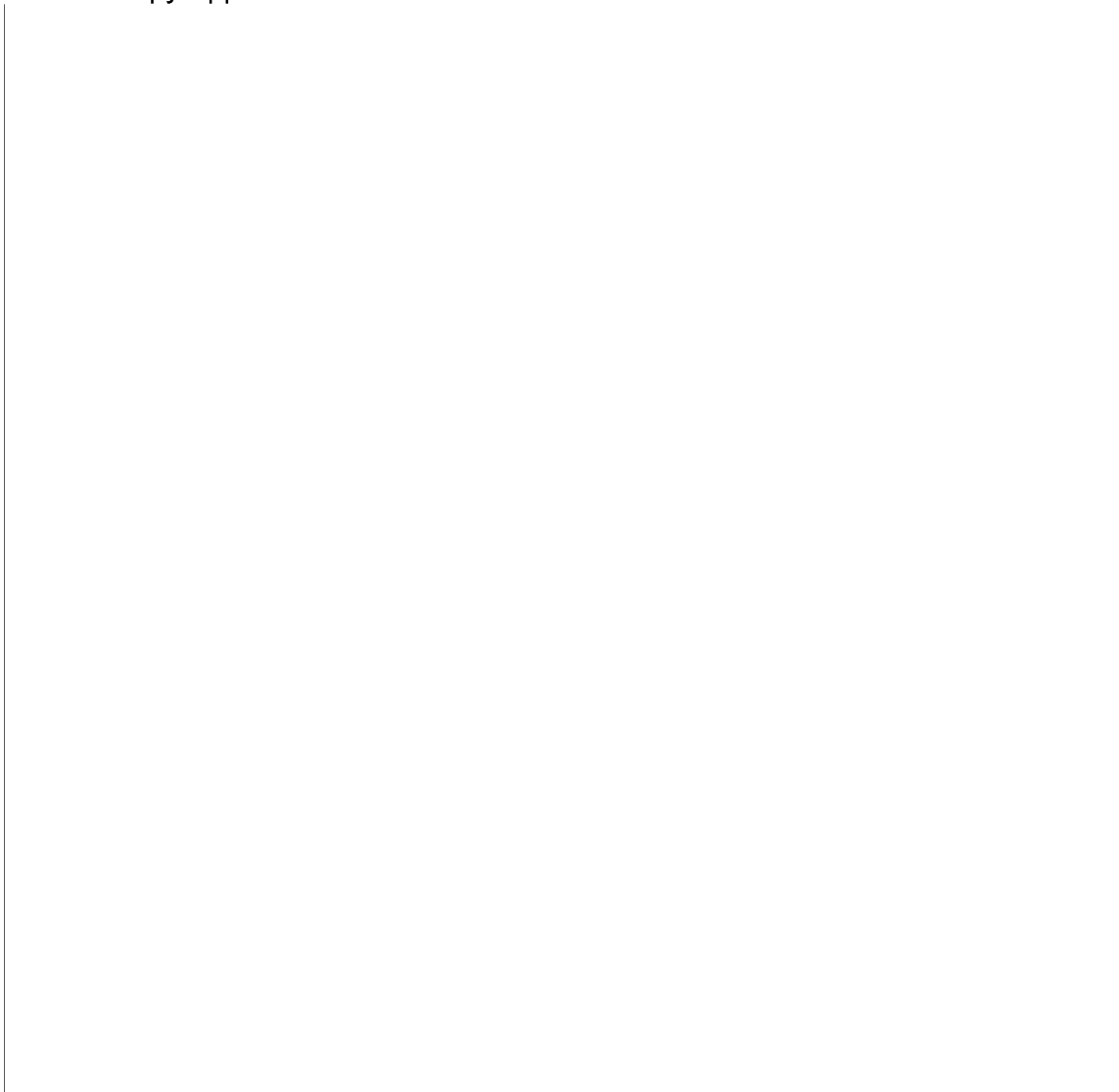
USIB Committees and the DIA staff, the Executive Secretary submitted and USIB approved in April 1965 recommended changes in the DCIDs designed to effect in an appropriate and clarified manner the DIA proposal that the DoD representation on the Board's committees not be changed. Three other clarifying changes in DCIDs on the chairmanship of CODIB, the production of military-economic intelligence, and the staffing of the NIC were also approved. 6/

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11. While there were other changes in USIB activities in addition to the reorganization, the work of the Board in essence continued during this period under Mr. McCone in support of the Johnson Administration at the same high level that existed under President Kennedy. In the 75 weeks covered by this period, the Board held 86 meetings with total USIB actions averaging 13 per week, the same average as in the Kennedy administration. Of the total actions (981),

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over one-third dealt with USIB Committee reports, while nearly another third concerned estimates and related items. The Minutes and Watch Reports each constituted about one-tenth of the total actions, with the remainder consisting of ad hoc studies and reports, miscellaneous discussions, and announcements and presentations. As noted in / paragraph 53 the situation in Southeast Asia particularly Vietnam and Laos was the predominant subject dealt with in the Conclusions of the Watch Reports.

12. Of the 82 NIEs and SNIEs published during the 75 weeks of this period, 12 were directly related to developments in Vietnam and Laos, a number exceeded only by the 14 estimates on the USSR and the 15 covering the entire Middle East area. The estimates on Vietnam and Laos will be discussed in Section B. One-half of the 14 estimates on the USSR dealt to a significant extent with the Soviet missile buildup as described in Section C, while five estimates were concerned with the situation in Communist China which is the subject of Section D. Nine of the 15 estimates on the Middle East appraised the continuing Arab-Israeli confrontation, with three others relating to India and Pakistan. Eastern Europe was the subject of only one estimate, while Western and Southern Europe were covered by ten estimates including two each on France,

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West Germany, Italy and the Greek-Cyprus situation. There were also ten estimates on Latin America, four of which concerned Cuba. Individual estimates dealt with the likelihood of a proliferation of biological and chemical warfare capabilities, prospects for proliferation of nuclear weapons over the next decade, prospects for the international communist movement, and the situations in Portugal, Iran, Afghanistan, Korea, the Republic of China, Malaya and Indonesia, Algeria, the Congo, Angola and Monzambique, South Africa, Honduras, Panama, the Dominican Republic, Venezuela and Brazil. There were also estimates on the areas of West Africa, Sub-Saharan Africa, the Horn of Africa, and Latin America. Most of the 82 estimates during this period were regularly scheduled NIEs but 35 of them were SNIEs mainly on Vietnam and Laos, the Arab States and Israel, and Cuba.

12 A. Other than those related to the Soviet missile buildup discussed in Section C, the remaining estimates on the USSR included two estimates on Soviet foreign policy, two on economic problems and prospects, one on the space program, and one each on capabilities and intentions with respect to chemical warfare and to biological warfare. Of the estimates dealing with the Arab States and Israel, one covered the Arab-Israeli problem generally and another the advanced weapons programs of the UAR and Israel, while

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three were concerned with the policies and programs of the UAR, two with general trends in the Arab world, three with the outlook for Saudi Arabia and the Arabian Peninsula, two with the implications of U. S. military aid to Israel and Jordan respectively, and one with Libya. The estimates on Cuba related to the general situation and prospects, the Soviet transfer of the SAM system, and the likelihood of an attempted shoot-down of a U-2, as well as the likelihood of reintroduction of Soviet offensive missiles which is discussed in a subsequent paragraph. 8/

13. In addition to the NIEs and SNIEs, the Board also reviewed and made recommendations to the JCS regarding the annual position

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significant new document entitled the "Intelligence Assumptions for Planning: Soviet Military Forces Through Mid-1970" (IAP-64) was also produced for the first time by BNE and its USIB Representatives and approved with amendments by USIB in

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July 1964. This document was designed to provide the military planners with an intelligence community product as an alternative to previously produced papers of a similar but less reliable special purpose nature. There was great concern however that these long-range and detailed projections of Soviet forces be clearly distinguished as assumptions, rather than as authoritative national intelligence estimates even though they were based to the extent feasible on the data used for the estimates. 9/

Secretary of Defense Robert McNamara in October 1964 expressed his pleasure on receiving this "very useful" document. 10/

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15. Another change related to the estimates process

was the Board's approval in June 1964 of new guidelines for the preparation of Post-Mortems on NIEs and SNIEs. The Board in approving with amendments the BNE recommendations on this subject, agreed that Post-Mortems should be produced selectively when intelligence gaps or deficiencies are encountered which are sufficiently serious to / affect the quality and completeness of national intelligence on important topics. The determination whether a Post-Mortem should

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be initiated was left to BNE in consultation with its USIB representatives, although any USIB member could of course request a Post-Mortem. The question of whether to prepare and what they say in a Post-Mortem was to be kept in mind throughout the preparation of estimates, and specific gaps were to be passed immediately to collection components for processing as intelligence requirements. Post-Mortems, transmitted if possible to the Board at the same time as the draft estimate, were to enumerate important intelligence gaps and deficiencies, leaving to USIB and through USIB to the CCPC and member agencies, the responsibility for remedial measures. 15/

16. The USIB Committee structure also underwent a number of changes during this period. The most significant was the establishment by Board action in December 1964 of the Technical Surveillance Countermeasures Committee (TSCC), based on the actions specified in National Security Action Memorandum (NSAM) No. 317 dated 15 November 1964. Noting that recent discoveries in the Moscow and Warsaw Embassies had made it even more important to assure continued progress in the intelligence community's activities in the audiosurveillance and countermeasures fields, NSAM No. 317 directed the following actions:

a. The NSC Special Committee on Technical Surveillance Countermeasures was dissolved.

b. The DCI with the advice and assistance of USIB was to be responsible for coordination of technical surveillance countermeasures conducted by the community, and research and development activities in the counter-audio field. The DCI with USIB concurrence was authorized to establish and develop a charter for a new Board committee to coordinate these fields, with subcommittees as appropriate.

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17. Pursuant to this directive, the DCI with the concurrence of USIB at the 23 December 1964 meeting approved the issuance of a new DCID

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creating the TSCC with a chairman designated by the DCI, in

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consultation with the USIB and with representatives of all USIB agencies

including the three military services. It was to be assisted by an

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Subcommittee chaired by a State representative,

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and a

[REDACTED]

Subcommittee chaired

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by a CIA representative. 17 / Thomas H. Karamessines of DDP, CIA was appointed in addition to his other duties, the first Chairman of TSCC but in a February 1965 USIB meeting after he gave a status report, Mr. McCone noted that this committee would probably require a full-time chairman.

Consequently, at the 24 March Board meeting, it was announced that

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who had long experience in this field with CIA,

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had been appointed full-time TSCC Chairman by the DCI after consultation with the Secretaries of State and Defense and with Mr. McGeorge Bundy who had signed NSAM No. 317. 18 /

18. In December 1964 Mr. Lawrence R. Houston, the CIA General Counsel, reported to USIB that, as the Chairman of the Ad Hoc Committee to Study Legislation for the Protection of Classified Information, he had concluded that it would not be appropriate to recommend that USIB sponsor any such legislation at that time. This conclusion was based on the formidable legal problems that had been encountered and the probable political implications in proposing any legislation in this area. He therefore recommended that the DCI propose to USIB that the Ad Hoc Committee be discharged and that it be left to the DCI to determine if and when this matter should be / resurrected. Mr. McCone approved and, in the absence of objection by USIB members, the Committee was disestablished as of 4 January 1965 with appreciation for its efforts and contributions. 19/ This subject has been subsequently resurrected in the USIB numerous times and, while some helpful legislation has been enacted, a truly satisfactory or effective solution to this problem has not been found and probably will not be under the U. S. Constitution and traditions.

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20. There were two significant changes in the chairmanship of USIB Committees during this period. At the 8 April 1964 Board meeting, Mr. McCone noted that General Strong was attending his last meeting as Chairman of the CCPC. The DCI expressed appreciation for himself and for USIB and others in the intelligence community for the great service General Strong had rendered through the years. At the next meeting on 15 April Mr. McCone, noting that he would like to use CCPC in a different way to assist the Board, proposed to designate [REDACTED] of the NIPE Staff as the new Chairman, CCPC. The DCI made clear that Mr. Bross as head of the NIPE Staff would not be interposed between the CCPC and USIB members since [REDACTED] would be acting individually as Chairman, in addition

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to his NIPE Staff duties. General Carroll said that he had been concerned initially about these points but since they had been cleared up he concurred in this designation.^{22/} This appointment was one of the first to set a trend that has been continued of appointing members of the DCI's NIPE Staff as chairmen of a number of the USIB Committees, particularly those whose activities have important implications for the allocation of significant resources. Moreover, since the NIPE Staff reports directly to the DCI as overall intelligence coordinator rather than through regular CIA channels, such appointments stress the community role of the

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committee chairmen, especially when they have not been career CIA officials.

21. At the 4 February 1965 USIB meeting, the DCI announced the appointment of Mr. Huntington Sheldon as Chairman of the SIGINT Committee in place of [redacted] Mr. McCone expressed his 25X1 desire that this committee play a more vital role of increased responsibility to USIB, while also assisting NSA in carrying out its responsibilities. Accordingly, the DCI requested each USIB Principal to review his agency's participation in the committee. Mr. McCone and Mr. Sheldon both believed that the committee representatives should have broad experience not only or necessarily in the technical field, but also in appraising the analytical and policy aspects and the value of the SIGINT product. It was explained that Mr. Sheldon would also continue as Chairman of the Watch Committee. 23/ He held these two positions as well as that of CIA SIGINT Officer and occasionally other duties for many years.

22. As for USIB Committee reports to the Board during this 17-months period, the Committee on Overhead Reconnaissance accounted for more than one-half of the Board actions in this category.

The USIB actions concerned with COMOR matters totalled [redacted] 25X1

[redacted] The bulk of the COMOR reports considered by the 25X1 Board involved intelligence requirements and priorities for overhead

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reconnaissance in various countries or areas, for specific substantive information or data, regarding particular projects or programs, or by use of certain vehicles, systems or operational procedures. As described in succeeding Sections B, C and D, COMOR played a major role with respect to collection guidance for intelligence regarding

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[REDACTED] COMOR also developed statements of intelligence requirements to guide programs for both imagery and SIGINT overhead reconnaissance which involved major demands on the resources allocated to the intelligence community, as shown below in Section E. In addition to reports on intelligence requirements, COMOR also submitted many reports to USIB recommending the frequency and scheduling of reconnaissance coverage by the various types of vehicles or equipment. Other reports dealt with research and development on or modifications to vehicles or equipment. Evaluations were also made of the results achieved by coverage with respect to particular target areas, countries or subjects and by certain vehicles or systems, as well as a number of periodic status reports on reconnaissance coverage including an overall monthly summary. Finally there were reports covering problems of security and dissemination of information and data in this field, most of which had to be handled in compartmented security systems.

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29. In the fall of 1964 USIB was / ^{engaged} in a study of the problem of maintaining adequate insurance against an attempted reintroduction of offensive missiles into Cuba. This study had been directed by National Security Action Memorandum No. 311 of 10 July to be undertaken by an interdepartmental group working closely with the USIB. The Board had assigned its part of the study to the CCPC concerning intelligence collection capabilities, and to BNE using the CCPC study to draft a SNIE on the substantive estimative aspects (the responses to these assignments will be discussed in subsequent paragraphs dealing with the CCPC). 44 / In September during discussion of the CCPC response, the State Member questioned how USIB consideration of OXCART would be recorded. The Chairman, CCPC indicated his Committee would not submit an OXCART annex to its study but would ^{allude} / to a "a new high performance, high-altitude reconnaissance aircraft". Mr. McCone, referring to a talk he had with the Secretaries of State and Defense and Mr. McGeorge Bundy regarding OXCART, proposed and the Board agreed to a two part study on the capability and survivability of OXCART over Cuba to be produced by (a) COMOR collaborating with NPIC on OXCART capabilities, and (b) DDS&T of CIA collaborating with DIA on

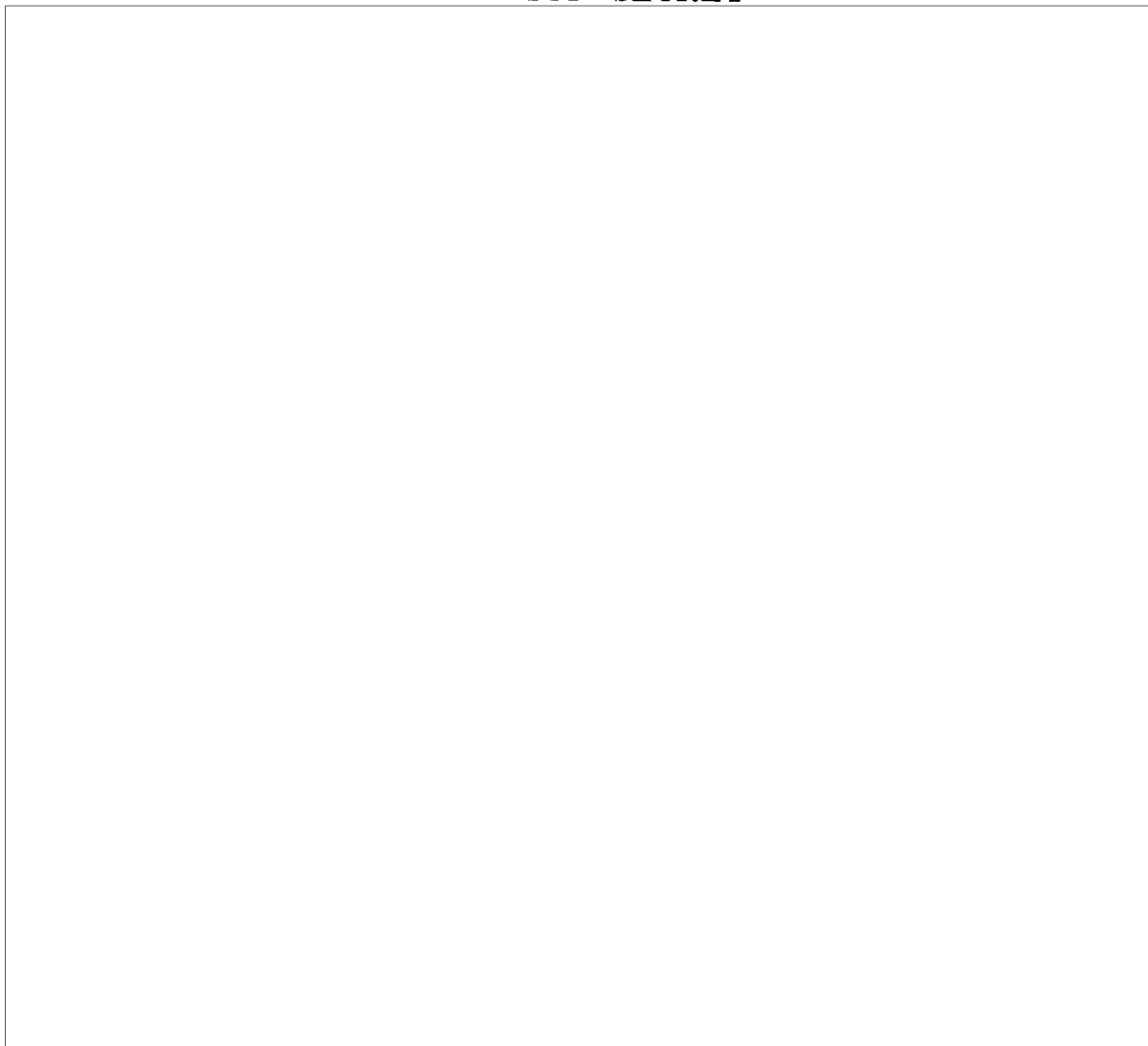
OX CART survivability. 45 / (The COMOR study will be discussed in a later paragraph dealing with reports on collection capabilities.) Stemming from this general concern with the possibility of another Cuban missile crisis, COMOR at the request of Mr. McCone submitted in November 1964 an examination of the requirements for overhead photographic reconnaissance of Cuba to guard against reintroduction of an offensive threat. Addressing only

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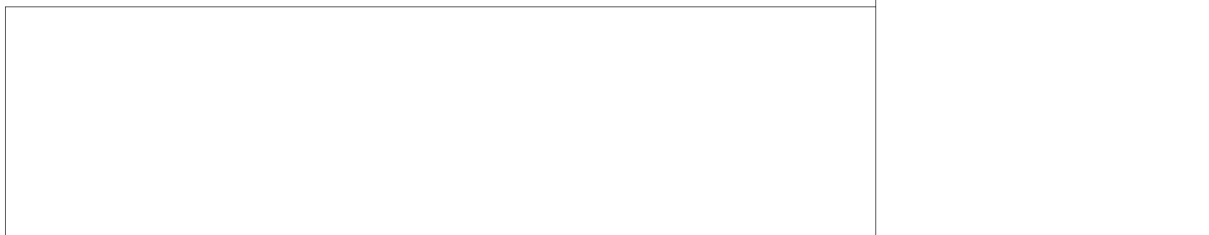
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45. The Critical Collection Problems Committee (CCPC),
next in number of USIB actions during this period, submitted a
number of reports dealing with Vietnam, Soviet missiles,
Communist China and intelligence demands versus resources,
which will be covered in Sections B, C, D and E.

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46. An important CCPC report during this period stemmed from a National Security Action Memorandum (NSAM) No. 311 in which the President in July 1964 requested a study of all aspects of the problem of maintaining adequate assurance against an attempted reintroduction of offensive missiles into Cuba. The study was undertaken by representatives of State (Chairman), Defense and the DCI, with the first step an intelligence community study which Mr. McCone assigned to USIB. The Board agreed that CCPC should draft a response on intelligence collection capabilities, and that BNE and the USIB representatives utilize the CCPC study to draft an SNIE on the substantive estimative aspects. 79/ After extensive analysis, drafting, review and revisions of the CCPC report and the SNIE, USIB as of 22 September 1964 approved amended versions of

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both documents. The CCPC report contained a long series of findings with respect to intelligence collection and the means of assurance, as well as an increase or decrease in tensions. Using all collection methods, it concluded that the best means of assurance as to the presence or non-presence of offensive missiles would be adequate on-site inspection. The chances were marginal of detecting clandestine introduction incrementally on a small scale. However, there was only a remote chance of introducing a substantial number without some warning that such activity was under way. If introduced on a large scale or "crash" basis, present collection means would probably detect a major military build-up. Although the presence of missiles might not be detected immediately, preparations for deployment would likely be detected. Using all collection means except [redacted] the chances for reintroduction without our positive knowledge would greatly increase. The report went on to analyze in detail the different means of collection

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resources. 80/

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47. The companion SNIE concluded that an attempt by the USSR to deploy strategic missiles in Cuba appeared highly unlikely during the next year or two, primarily based on the belief that the Soviets learned important lessons from the 1962 crisis. The estimate however went on to analyze possible future developments

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which might lead the Soviets again to misread U.S. intentions but in every case the risks involved appeared to make a new attempt unlikely. It was noted that the one action in which the Soviets might see less risk was in using Cuba for logistical support for their submarines. 81/

48. In April 1964 the DCI directed the CCPC to review activities of the Intelligence Community against North Vietnam, Communist China and North Korea and formulate recommendations for improving efforts to ensure adequate coverage. The reviews of the first two countries will be described in Sections B and D. The CCPC review of intelligence activities against North Korea was completed in January 1965, and the USIB approved the recommendations therein while also noting the Post-Mortem to a recent NIE on the Korean problem.

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49. The Security Committee was the only other committee whose activities were of concern to USIB on an average of nearly once per month. A number of these Board actions involved committee investigations of unauthorized disclosures of sensitive intelligence information by news media. The Security Committee also participated in preparing a manual for control of the sanitization and downgrading of sensitive compartmented intelligence. The most serious and important reports by the Security Committee during this period concerned technical surveillance penetrations of the U.S. Embassies in Moscow and Warsaw.

50. In May 1964 Mr. McGeorge Bundy, the President's Assistant for National Security Affairs, forwarded to the Chairman of USIB a PFIAB memorandum requesting a USIB review and assessment of the damage to U.S. classified information, activities and communications resulting from the audiosurveillance system recently discovered in the Moscow Embassy. Beginning in April 1964 the discovery of a microphone and probe behind the

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radiator of a room in the Embassy lead to one of the most extensive and comprehensive investigations and damage assessments conducted for the intelligence community by the Security Committee. 83/ A preliminary assessment submitted in June resulted in USIB approval of a series of further damage assessments, studies and inspections. 84/ The final committee report in October contained a summary of the attached damage assessments by State, NSA and AEC, and recommendations which were amended and approved by USIB on 25 November 1964.

[redacted] 25X1
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[redacted] The installation of these microphones and cables occurred just prior to American occupancy in 1953 and during construction of the Embassy which was under exclusive Soviet control. In addition, the summary referred to [redacted] 25X1

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[redacted] ("The Moscow Signal") which had been directed against the Embassy for several years, the exact nature and purpose of which had not been established (and is still the subject of continuing study). The principal finding was that, although there had been no indication of Soviet action detrimental to the U.S. based on information possibly compromised, it must be concluded that due to the

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extensive period of penetration (beginning in 1953), the cumulative effect had resulted in serious damage to the U.S. The approved recommendations included:

(a) continued awareness of any indication of the use of classified information obtained by the penetration, (b) support for resources to implement countermeasures, (c) periodic monitoring of personnel assignments, (d) assistance to State in conducting inspections and (e) a list of actions to be considered by the newly established Technical Surveillance Countermeasures Committee of USIB. Another recommendation resulted in issuance of a USIB Policy Statement on procedures for reporting and testing any future discoveries of hostile technical surveillance penetration devices. 85/

51. At the 14 October 1964 USIB meeting, the Acting State Member made a brief preliminary report on the recent discovery of microphones in the U.S. Embassy, Warsaw, and it was agreed that the Security Committee should handle any required damage assessment. 86/ The Security Committee submitted its report in March 1965 stating that two microphone systems [REDACTED]

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[REDACTED] were uncovered, and that practically all major

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offices were penetrated. This fund was discovered as a result of increased emphasis caused by the Moscow penetration. Consequently Embassy personnel had been indoctrinated and interviews established that discussions of sensitive matters were restricted [redacted]

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[redacted] In presenting this report at a USIB meeting in April, Howard Osborn, the recently appointed Chairman of the Security Committee, pointed out that the damage to U. S. interests by this highly sophisticated penetration had been limited due to [redacted]

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[redacted] the generally stringent security

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practices instituted by the Ambassador. The USIB approved the following committee recommendations in this case: (a) strong support to State and other agencies in maintaining effective inspection and countermeasures programs, (b) extending the briefings by State of U. S. personnel in areas where penetrations might exist to include U. S. personnel at other overseas installations, and (c) submitting this matter to the TSCC for appropriate action. 87/

52. The preceding summaries of activities by COMOR, the SIGINT Committee, CCPC and the Security Committee provide a representative insight into the general types of problems faced and the means of handling them during this period. Further examples of significant

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reports by the pertinent committees regarding the major areas of concern related to Vietnam, Soviet missiles, Communist China and intelligence demands versus resources will be given in Sections B, C, D and E. Otherwise the remaining USIB Committees by and large were involved in updating or following up on the subjects and types of actions described in previous volumes.

53. The Watch Committee of course was the one committee which submitted regular weekly reports to USIB throughout the period providing intelligence warning and judgments on Sino-Soviet intentions to engage in aggressive action. Compared with the previous Kennedy Administration, Vietnam and Laos continued to be areas most frequently cited in the conclusions to the Watch Report while Berlin was not mentioned during this period. The situation in Vietnam was reported with increasing frequency for a total of 38 times, or an average of every two weeks. Laos was highlighted in 27 reports but on a descending scale. Communist China was referred to 13 times. Twelve of the reports reviewed evidence of Communist military activity elsewhere in the Far East. In summary therefore Asia and the Far East generally dominated the concern of the Watch Committee and the National Indications Center insofar as it reported to the Board on its conclusions regarding indications of hostilities. 88/ One of the most important assessments was contained in the first Watch Report

following the assassination of President Kennedy. It concluded that the Soviet bloc did not appear to have taken any new initiatives in the past few days and it had already issued several unofficial but guardedly hopeful comments. It discerned no Soviet or East European Satellite military reaction to the assassination, and noted that a relatively low level of training, considered normal for that season, appeared to be continuing.

54. The above summary of the general scope of the work performed by and for the USIB during this period indicates that it was a very active and productive instrument for the Johnson Administration while it was under the leadership of Mr. McCone. In general the overall reorganization and reorientation of the Board was accomplished by the DCI in an effective and professional manner. The most significant problems faced by the USIB during the 17 months it was chaired by Mr. McCone under President Johnson were those described in the following four Sections on Vietnam, the Soviet missile buildup, Communist China and intelligence demands versus resources. The main contributions to U. S. national security by the USIB in this period are likely to be judged in the light of its handling of these difficult problems.

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